





**Cost Reimbursement  
CITY OF AUSTIN  
RECOMMENDATION FOR COUNCIL ACTION**

**AGENDA ITEM NO.: 5  
AGENDA DATE: Thu 12/16/2004  
PAGE: 2 of 2**

The City will reimburse the Developer for the actual "hard" construction costs of the 24-inch water main and appurtenances constructed within public right-of-way or easements for a total not to exceed \$1,404,000.00; the developer costs for City of Austin fees related to the 24-inch water main in an amount not to exceed \$250,000.00; and the costs for engineering, design and project management of the water main and appurtenances within public right-of-way or easements for a total not to exceed 20% of the actual "hard" construction costs up to a maximum of \$280,800.00, whichever is less, for a total not to exceed \$1,934,800.00 in one (1) payment 90-days after final acceptance or October 1, 2006, whichever is later. The Developer will bear all other "soft" costs for financing, accounting, easement acquisition and legal services associated with this construction.

The Developer is requesting a waiver of the City Code requirements in Section 25-9-67, relating to the schedule for cost reimbursement payments to permit the modified payment schedule of the 24-inch water improvements described above. Normally under Section 25-9-67, cost reimbursement payments are to be made in one (1) payment on March 1 of the second year following the year in which the water improvements are accepted.

Because the City requested that the Developer construct water improvements beyond those needed only to serve the proposed developments, the Developer is requesting a waiver from City Ordinance requirements of:

(a) waiver of the requirements in Section 25-9-63 relating to the amount of cost reimbursement to allow for payment of the "soft" costs described above. Under this Section, the amount of reimbursement is for the actual "hard" construction costs; and

(b) waiver of the engineering review and construction inspection fees established in Ordinance 040913-05, in an amount not to exceed \$75,000.00.

The Developer will conform to the City of Austin design criteria and construction standards in all respects, solicit and publish invitations for bids, evaluate and award for construction of the improvements in accordance with standard City of Austin bidding practices, procedures and Chapter 252 of the Texas Local Government Code in which bids and solicitation based on plans and specifications prepared and approved, including the City MBE/WBE Ordinance.

# CIP FISCAL NOTE

DATE OF COUNCIL CONSIDERATION:  
WHERE ON AGENDA:  
DEPARTMENT:

12/16/2004  
Resolution  
Austin Water Utility

**DESCRIPTION:**

Authorize negotiation and execution of a cost reimbursement agreement with SIVE Construction Ltd., providing terms and conditions for construction of 24-inch water main and appurtenances to provide water service to proposed developments within the University Neighborhood Overlay District with City cost reimbursement in an amount not to exceed \$1,404,000.00, for actual ("hard") construction costs; cost reimbursement in an amount not to exceed \$250,000 for applicable City of Austin fees related to the construction of the 24-inch water line; cost reimbursement for professional services costs ("soft" costs) for engineering, design and project management only in an amount not to exceed 20% of the actual "hard" construction costs or \$280,800.00, whichever is less for an overall maximum cost reimbursement amount not to exceed \$1,934,800.00; approve an Ordinance waiving the requirements of Section 25-9-63, of the City Code relating to amount of cost reimbursement; waiving the requirements of Section 25-9-67 of the City Code relating to the schedule for cost reimbursement payments; waiving the requirement for payment of the engineering review and inspection fees related to the review and construction of the 24-inch water main and appurtenances established in Ordinance 040913-05, in an amount not to exceed \$75,000.00.

**FINANCIAL INFORMATION:**

Parent Project Name: Water Unfunded Future  
Project Authorization: 2004-05 Approved Capital Budget  
Funding Source: Commercial Paper  
Number: 3960 227 1019

Current Appropriation	\$ 298,783,739.00
Unencumbered Balance	100,914,737.26 *
Amount of This Action	<u>(1,934,800.00)</u>
Remaining Balance	<u>\$ 98,979,937.26</u>
Current Available Balance	\$ 102,554,535.26
Less Outstanding Commitments	<u>(1,639,798.00)</u>
Estimated Unencumbered Balance	<u>\$ 100,914,737.26 *</u>

Utility Finance: \_\_\_\_\_

  
David Anders, Utilities Finance Manager

Date: \_\_\_\_\_

12/16/04

REF. # 3960 227 2050

